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The Dynamics of Wealth Concentration Among Farm Operator Households

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*The Dynamics of Wealth
Concentration Among Farm
Operator Households*

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by Hisham S. El-Osta and
Mitchell J. Morehart

For more information, contact:

Hisham El-Osta at
helosta@ers.usda.gov
and Mitchell Morehart at
morehart@ers.usda.gov
<http://www.ers.usda.gov>

The distribution of wealth

among farm operator households was slightly less concentrated in 1999 than in 1996. According to the authors, the farm component of household wealth contributed significantly more toward the concentration of wealth in both years than the non-

farm component. Farm households in the nonmetro, non-farming-dependent counties (e.g., mining or manufacturing-dependent counties) exhibited both the lowest concentration in total household wealth and the most notable decrease in concentration between 1996 and 1999. In contrast, households in the nonmetro farming-dependent counties exhibited the highest concentration in wealth and a mild decrease in concentration.

The study computes wealth shares accruing to lowest and highest quintiles, along with the concepts of the Lorenz curve and the Gini coefficient, in conjunction with data from the 1996 and 1999 Agricultural Resource Management Study (conducted by USDA's ERS). It had two primary objectives:

- 1) measure and ascertain the dynamics of wealth concentration among farm households operating single proprietorships;
- 2) extend the analysis based on whether the farm was located in a metro area, a farm-dependent nonmetro area, or a non-farming-dependent nonmetro area.

The study's application of the extended Gini coefficient, which allows for testing of the robustness of the findings under varied value judgments concerning society's level of aversion to wealth concentrations, makes it unique.

